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THE PARCEL POST IN FOREIGN COUNTRIES

One of the most powerful arguments for the adoption of a parcel post in the United States was the uniformly successful operation of foreign systems. The task of our government was not, therefore, that of a pioneer, but to adapt foreign experience to the conditions to be met in the New World. The step was taken tardily, after the parcel post had become known in political divisions as far apart in physical position and civilization as Switzerland, Honduras, and the Friendly Islands.

Besides political influences which delayed the establishment of the parcel post there were social and economic conditions which seemed to many to make the success of such a system problematical. It was felt that our social and economic conditions were so different from those of the great parcel-post countries that arguments drawn from their experience were only secondary in importance.

European countries have an advantage over the United States in that the average distance each package is to be carried is much shorter. A parcel post in Germany or France, each with about 200,000 square miles of territory, presents a very different problem from a parcel post in the United States, where a single state—Texas—is as large as either of these countries, seventeen times the size of Switzerland, and twenty-four times the size of Belgium. England may successfully operate such a system even with a flat rate for all distances, but the problem is greater for us, for twenty-six of our states are each larger than England.

Success may also be influenced by the density of population. In England with 550 inhabitants to the square mile, or Great Britain as a whole with over 300, or in Belgium with 600, or in Germany with 300, a parcel post may be a decided success, though it might not be in a vast country like the United States with an average of 25 persons to the square mile. Nor does the fact that the parcel post of Great Britain reaches her colonial possessions and many foreign countries really change the case, for less than $2\frac{1}{2}$ per cent of the parcels sent in the British post go out of the United Kingdom. Evidently a government which handles a large number of parcels, very few of which are carried a long distance, may do so at a profit, though the United States might not be able so to do, just as our express companies can deliver shipments at a profit in the large cities, though they cannot do so in districts remote from the railroads or where deliveries would be infrequent.

On the other hand, great distances and sparse population are not proven by foreign experience to be insuperable obstacles for a successful parcel-delivery system. Canada, Australia, and Russia have demonstrated the possibilities of cheaper posts in the face of obstacles of this sort which seem at least as great as those which confront the United States. Canada delivers newspapers at one-fourth of a cent a pound from St. Johns to Vancouver, but nevertheless has a profit of about a million dollars a year from her postal service. In European Russia, a 12-pound package is delivered for 34 cents, and it may even be sent to far-off Sakhalin or Manchuria for 64 cents—the charge in the United States till the institution of the parcel post for a 4-pound shipment. In Australia, though the area of the country equals that of the United States while the population is less than that of Greater New York, the parcel post carries an 11-pound package anywhere within one state for 73 cents and anywhere in the commonwealth for \$1.38. The latter charge, though apparently high, is low when it is remembered that the population is only about two to the square mile.

The conditions under which the transportation facilities of a country are operated may have an influence on the success of its parcel-post system. Many countries have arrangements with the

railroads through ownership or franchise which make the carriage charge for the posts nominal or nothing at all. Some have no express companies which would compete with the government for the more profitable portion of the business. Again, the degree to which industry is developed and the presence of large department stores, mail-order houses, and other means of controlling the market may determine whether the parcel post will be a real or only an illusory benefit.

A survey of the countries in which the internal parcel post has been adopted shows great variance in size, density of population, and degree of development in education, industry, and communication. These elements, therefore, do not of themselves determine the success or failure of the system. The field includes Argentina, Australia, Austria, Belgium, Bolivia, Chile, China, Colombia, Denmark, Ecuador, Egypt, France, Germany, Greece, Guatemala, Honduras, Hungary, Italy, Japan, Luxemburg, Mexico, Netherlands, Norway, Panama, Persia, Peru, Portugal, Roumania, Russia, San Salvador, Servia, Sweden, Switzerland, Turkey, Uruguay, and Venezuela, besides many of the lesser colonial possessions of the great powers.

The growth in popularity of the service is indicated by Table I, showing the number of parcels carried in the larger and more populous countries in certain recent years.

TABLE I

PARCELS CARRIED BY THE POSTS OF CERTAIN COUNTRIES AT EACH OF TWO SPECIFIED DATES*

Country	Year	Parcels	Year	Parcels
Austria.....	1900	30,500,000	1909	46,000,000
Egypt.....	1901	108,500	1910	439,935
France.....	1901	54,688,261	1910	68,067,908
Germany.....	1899	165,506,307	1908	233,020,211
Hungary.....	1901	19,393,000	1910	34,181,000
Italy.....	1889-90	6,603,000	1909-10	14,317,542
Japan.....	1900-1901	7,645,558	1909-10	20,192,633
United Kingdom.....	1900-1901	81,017,000	1909-10	118,190,000

* The figures include domestic and foreign parcels mailed. They are chiefly compiled from *Parcel Post in Foreign Countries* (Washington: Government Printing Office, 1912). The figure for Italy 1889-90 is from C. H. Hull, *Die deutsche Reichspacketpost* (Jena: Verlag von Gustav Fischer, 1892).

The development of the modern parcel post is chiefly to be credited to Germany. The growth of railways had brought uniform postal rates throughout Germany and Austria in 1857,¹ and in 1873, following a law of October, 1871, practically the present tariff was put into effect. The practice of forwarding parcels with the mails was not new, it had been the custom in Austria since the seventeenth century, and in some of the German states it is said to date back to the fifteenth. The only new principle was the granting of so low a rate on merchandise shipments. The success of the German experiment was immediate. The domestic parcel post in the first year after its establishment (1874) carried 38,862,-654 packages. The number steadily rose to 62,946,100 in 1881. Italy and France in that year took over the idea, and two years later they were followed by Great Britain. The great powers of northwestern Europe have therefore had an experience with the system extending over approximately thirty years.²

Each nation has developed a system suited to its particular needs. In the Continental countries the original laws on which the systems are based only faintly reflect the present organization. Frequent amendments, amplification by executive orders, and the gradual outgrowing of many of the provisions which fitted earlier economic conditions have brought about postal systems determined by practice rather than by law in the Anglo-Saxon sense. There have developed out of this variety of organizations two general types—those of Germany and those of England—which may be called the zone- and flat-rate systems, respectively.

The German parcel post was the first in point of time, has been the model for other countries, handles the largest amount of traffic, and in administrative efficiency and number of parcels carried remains the most successful system of the world.³

¹ J. H. Heaton, "The European Parcels Post," *Arena*, XXXIV (1905), 113 f.

² Figures taken from C. H. Hull, *op. cit.*, p. 10. The monograph contains much information on the early development of the postal systems. See also letters of J. C. Grew (Austria) and Paul Nash (Hungary) in *Parcel Post in Foreign Countries*.

³ The chief laws governing the German parcel post are found in *Das Gesetz über das Postwesen des Deutschen Reichs vom 28 Oktober, 1871*, erläutert von M. Aschenborn; "The Laws of May 17, 1883, and November 3, 1874," *Reiches-Gesetzblatt*, pp. 107 and 127. Administrative regulations are contained in the *Manual of General Regulations for the Post and Telegraph*, Abschnitt III, Abt. 1 and 2; Abschnitt V., Abt. 1.

The tariff charged is based on a combination of varying rates for different weights and varying rates for distance. The latter point is the distinguishing characteristic of the German system. Since the example of Germany has been adopted by many other countries a schedule of the charges is given here:¹

1. Weight up to 5 kilograms (about 11 pounds):

- a) Up to 10 German miles (46.1 English miles), 25 pfennigs (\$0.06).
- b) Any farther distance, 50 pfennigs, (\$0.12).

2. For each additional kilogram (2.2 pounds) or fraction, according to distance:

- Zone 1. Up to 10 German miles (46.1 English miles) 5 pfennigs, (\$0.0119).
- Zone 2. 10 to 20 German miles (46.1 to 92.2 English miles), 10 pfennigs (\$0.0238).
- Zone 3. 20 to 50 German miles (92.2 to 230.5 English miles), 20 pfennigs (\$0.0476).
- Zone 4. 50 to 100 German miles (230.5 to 461 English miles), 30 pfennigs (\$0.0714).
- Zone 5. 100 to 150 German miles (461 to 691.5 English miles), 40 pfennigs (\$0.0952).
- Zone 6. 150 German miles (691.5 English miles) or over, 50 pfennigs (\$0.119).

On payment of this rate goods may be sent up to a weight limit of 110 pounds (50 kilograms) for a single package, except that if the shipment is bulky it is subject to an increase of one-half the regular rate. There is no limit in the law upon the size of goods that may be sent. Articles are considered bulky if any dimension is over 5 feet or if one dimension exceeds 3 feet 6 inches and another 20 inches. The same classification is given if articles are fragile or take up an unusual space as would be the case with baskets filled with plants, cages containing live animals, hat boxes, furniture, and similar articles.

Packages are delivered at the residence of the person to whom they are sent except when their declared value exceeds a certain amount, or in rural delivery districts not served by post wagon when their weight exceeds eleven pounds. When too valuable or too large to be delivered under the rules, the parcels are left at the nearest post-office to be called for.

¹ Compiled from information furnished September 16, 1911, by Irwin Laughlin, chargé d'affaires ad interim at Berlin, to the Senate Committee on Post-Offices and Post Roads; see *Parcel Post in Foreign Countries*, pp. 96 f.

An excellent feature of the German system is its rapidity. Except where business is very large, the parcel post is given the same transportation as letter mail. Where the shipment goes partly by rail this is often not the case, since the railroads are only obliged to carry letter mail in the express trains. The local and freight trains are often used, therefore, for the parcel post. If the sender wishes to insure the most rapid delivery possible for a package, he may have it forwarded by the fast trains on payment of an extra charge of 1 mark. By payment of an additional fee he may have it delivered at the place of destination by special messenger. Other special fees are charged if the sender does not pre-pay the package (10 pfennigs for parcels not exceeding eleven pounds) or if he registers the shipment (20 pfennigs). The sender may also insure the shipment by payment of 5 pfennigs for each 300 marks (\$71.40) of value. The minimum charge is 10 pfennigs. No difference in these extra charges is made for varying distances.

The parcel post of Great Britain was established August 1, 1883, upon the flat-rate system—a uniform charge for parcels of a certain weight irrespective of distance. Only parcels up to 11 pounds are accepted. The rates are: 1 pound, 6 cents; 1 to 2 pounds, 8 cents; 2 to 3 pounds, 10 cents; 3 to 5 pounds, 12 cents; 5 to 7 pounds, 14 cents; 7 to 8 pounds, 16 cents; 8 to 9 pounds, 18 cents; 9 to 10 pounds 20 cents; 10 to 11 pounds, 22 cents. Packages must not be over 3 feet 6 inches long nor have a combined length and girth of over 6 feet. As a rule, parcels are delivered to the addressee. The number and rapidity of deliveries is less than in letter post except in rural districts where the two sorts of mail can be carried in the same sacks. Except in the larger towns the same postmen attend to both services.¹

Both the German and the English systems of rates have found imitators in the newer services of other countries. Among the countries which have adopted the zone system are Austria, Hungary, Japan, Russia, and Turkey. The English plan has been followed in Argentina, Australia (which has a separate rate for shipments

¹ The chief regulations of the English parcel-post system are found in Post-Office (Parcels) Act, 1882 (45 and 46 Vict., ch. 74) and in the *British Post-Office Guide*.

within one state), Belgium, Bolivia, Chile, China, Colombia, Denmark, Egypt, France, Greece, Honduras, Italy, Luxemburg, Mexico, Netherlands, Norway, Paraguay, Roumania, San Salvador, Sweden, and Switzerland.

The list of names does not, however, indicate the actual extent of use of the two systems nor their adaptability to general conditions, since many of the nations mentioned in the group following the flat-rate system are small, thickly settled regions in which the application of the zone principle is manifestly unnecessary, or are so undeveloped or charge such high rates for shipments that the parcel post does not mean for them a widely used and cheap means of transportation serving a patent public need. In Paraguay, for example, "conditions of life are so primitive that very little use is made of the postal service,"¹ and in Honduras the rate charged is 10 cents a pound, a rate which, when the development of the country is considered, is almost prohibitive. If the number of packages handled be taken as the basis of comparison it is found that the zone countries carry approximately 50 per cent more than the flat-rate countries.²

The success of a parcel-post system depends of course on many other elements besides the basis of the rates charged and the character of the country and population to be served. An important

¹ Cornelius Ferris, Jr., American consul, to Hon. N. A. Grevstad, American minister, Asuncion, Paraguay, October 16, 1911, published in *Parcel Post in Foreign Countries*, p. 173.

² This comparison is made on the basis of a table published in 1910 by the *Literary Digest* in a pamphlet, "The Parcels Post." Only countries carrying a million packages or over are considered. Austria, Hungary, Germany, Japan, and Russia are reported as carrying a total of 333 million packages (Germany alone, 223 million); Belgium, Denmark, France, British India, Italy, Netherlands, Norway, Roumania, Switzerland, and the United Kingdom—the flat-rate countries—carried 225 million.

Details as to the use of the parcel post in the following countries are found in the *Consular and Trade Reports*: Great Britain: November 22, 1911; June 22, 1904; December, 1907, No. 327, pp. 250-51; August, 1908, No. 335, p. 181; February, 1910, No. 353, pp. 206-7; August 1, 1910; Persian Gulf Region: April 8, 1912; Spain: January 27, 1912; Australia: June, 1910, No. 357, pp. 110-11; New Zealand: December 9, 1911; Honduras: December 9, 1911; Germany: May 7, 1910; December 9, 1911; December 22, 1904; February, 1908, No. 329, pp. 104-6; May, 1910, No. 356, pp. 9-10; June, 1910, No. 357, pp. 109-10; Denmark: January 4, 1912; Netherlands: December 9, 1911; Switzerland: January 4, 1912; March 7, 1912; New South Wales: July 6, 1897; Russia: June, 1910, No. 357, Pt. 2, p. 161; February 10, 1911.

factor is the relation of the government to the transportation agencies, especially to the railroads, which must be relied upon for carrying at least the longer shipments.¹ If the government owns the railroads and can therefore reduce the charge for their part of the service to a cost basis, or if by franchise agreements or legislation it can oblige the railroads to carry the mails gratis or at a nominal charge, marked economies may be made which are unavailable for a country which must rely on a free bargain with the railroad companies to determine the rate of charges. Russia, for example, pays for transportation of its mails on land and sea only one-sixteenth of the receipts, notwithstanding the enormous distances covered by its postal system; in Germany the proportion is one-tenth; in France and the United Kingdom less than one-ninth; in the United States—even without the parcel post—one-third.² Evidently the ability to make advantageous transportation agreements may determine the success or failure of any parcel-post system. In Germany—the greatest parcel-post country of the world—the government operation of the railroads makes the parcel-post system almost a branch of railway traffic. In Austria the government owns 80 per cent of the railroad mileage, and the charters of all private lines oblige them to carry the mails—up to a limit of a certain number of cars—free of charge. In Hungary, with a few exceptions, the railways are owned or leased by the state, and this makes favorable terms for the parcel post easy to obtain. In Japan the conditions are similar. Italy under her contracts with the railroads—chiefly operated by the government—has free letter carriage, but charges herself for parcel transportation. In 1909-10 this charge amounted to over \$416,000. Navigation companies under government subsidy carried parcels free of charge.

France and England have relied on free contracts with the railroad companies. In England the agreements date from August 18, 1882. They provide that the railroads shall receive 55 per cent of the income from the carriage of parcels. The arrangement is

¹ The discussion is here confined to countries having parcel-post systems carrying a million parcels or more per year.

² Figures taken from an analysis of postal expenditures made by the International Postal Bureau quoted in *Parcel Post in Foreign Countries*.

terminable upon two months' notice. In France the most important agreement dates from January 15, 1892, but has been supplemented by numerous amendments and decrees.

The success of a parcel post may also be determined by the size and weight of the shipments which the government undertakes to deliver, since these affect the nature of the delivery facilities which will be needed. Whether the packages are deposited at the post-office to be called for or delivered at the house of the addressee also influences the cost of the service. In these particulars the practice exhibits wide contrasts. The weight and size limits are shown in Table II.

The tendency where changes have been introduced has constantly been toward increasing the limits of size and weight of parcels which may be sent. In Austria, though there is a limit of weight stated in the law, in practice the officials are instructed to accept any shipment which can be loaded in the railroad cars, or on top of the delivery wagons in the country districts.¹ Agitation for a standard of a similar sort is present in other countries of Continental Europe.

The extent to which the government makes the carriage of packages such as are handled by the parcel post a monopoly may also have an important influence upon the success of the system. It is often argued that this monopoly should be established in all cases, since otherwise private companies will offer especially low rates for delivery in large cities where the parcels would be numerous, and leave to the government the long deliveries which can be made only as a loss. In practice this step has not been found necessary.

In Austria no attempt has been made to interfere with private enterprise in the forwarding of parcels. The success of the government's organization is due to the better facilities, greater safety, and cheaper rates offered. The gradual extension of the post-office net puts the government in a position where competition by

¹ In practice substantially the same rule is followed in Germany. See *Daily Consular and Trade Reports*, Consul-General A. M. Thackara, p. 1255, December 9, 1911.

private companies is impossible. Since the regular post-office force is used for the delivery of parcels, the government is at a distinct advantage over the private enterprise, which would have to

TABLE II

COUNTRY	WEIGHT LIMITS (IN ENGLISH POUNDS)	SIZE LIMITS		
		Length	Width	Bulky Articles
Austria.....	Packet post, 11 (5 kilograms);* freight post, 110 (50 kilograms)	No limit	No limit	No limit. Pay extra charge**
Belgium.....	Packet post, 11 (5 kilograms);† freight post, 132 (60 kilograms)	60 inches	.....	.....
Denmark.....	Local districts, 22 (10 kilograms); otherwise, 110 (50 kilograms)	No dimensions greater than one meter	.....	.....
France.....	22 (10 kilograms)	.....	.....	Extra charge if over 5 feet††
Germany.....	110 (50 kilograms)	No limit	No limit	No limit. Pay extra charge**
Italy.....	6.6 (3 kilograms)‡	.....	.....	Two-thirds of a cubic foot
Japan.....	13.25 (1600 mommē)	44.7 inches	.....	29.8 inches each way
Netherlands	11 (5 kilograms)	40 inches	.....	1 cubic foot
Norway.....	110 (50 kilograms)§	.....	.....	4.24 cubic feet
Russia.....	120 (3 poods)	No statement	.....	.....
Sweden.....	110 (50 kilograms)||	No statement	.....	.....
Switzerland	110-132 (50 to 60 kilograms)||	6 ft. 7 in.††	.....	.....
Turkey.....	88 (40 kilograms)	.....	.....	16 by 12 by 20 inches
United Kingdom	11	3 ft. 6 in.	.....	6 feet combined length and girth

* Special weight limit for coined money 143 lbs. See also further comment in text.

† Now projected to make upper limit 220 lbs. or more.

‡ Government authorized to raise the limit to 11 lbs. by royal decree.

§ Smaller limit where delivered by foot (3.3 lbs.) and by wagon (26.4 lbs.).

|| Additional regulations similar to Norway.

¶ Lower limit where carriers or mules are used.

** Officers use their discretion.

†† Smaller limits if delivered by foot or by wagon. Bulky articles at higher rate.

|| Maps, skis, etc., allowed up to 2½ meters (about 8 feet 3 inches).

maintain a separate force for that work. It is declared to be only a question of time when the few remaining private companies will have been driven from the field and the government will have a monopoly of the business in fact though not in law.

In Germany there is nothing to correspond to our express com-

panies, and the *de facto* condition is like that in Austria. In Hungary, though the economic and legal conditions are similar, there are two private organizations resembling our express companies which continue to carry on the forwarding business in competition with the government. In Italy there are numerous private companies, but the business handled by them is as a rule local.

Denmark has no organizations corresponding to the American express companies, but on both state and privately owned railways package services have been instituted which do the same sort of work as the parcel post. Some private companies exist in the larger cities which conduct a general delivery business. In France, also, no legal monopoly exists and a number of private concerns continue to deliver parcels between the various large centers. In Japan, one company, the Naikoku Tsuun Kwaisha, does a business extending over the whole country. "No private express or forwarding companies exist in Russia and therefore there is no competition with the parcel post, carried on railways exclusively owned by the government throughout the Empire."¹

England furnishes the only example of a parcel-post system operated in the presence of a number of prosperous private forwarding agencies. All the larger railways carry small as well as heavy parcels, and in the cities there are numbers of parcel-delivery companies. The purpose of the parcel post, it is insisted in England, was not to supplant but to supplement the other means of serving the people. It cannot be denied, however, that the government loses an enormous number of profitable deliveries through the existence of the private companies. In fact, "many, perhaps most, short-distance parcels and parcels for delivery in towns are intrusted to private agencies while the post-office receives most long-distance parcels and parcels for delivery in rural districts, which are of course unremunerative."

One of the questions most frequently asked by those interested in the extension of cheap delivery facilities in the United States is: What will the effect be upon the retailer, will the parcel post drive

¹ These facts are taken from the letters from diplomatic representatives abroad sent to the chairman of the Committee on Post-Offices and Post Roads, 1912. See *Parcel Post in Foreign Countries*.

the country merchant out of business and concentrate control in the hands of large department stores and mail-order houses? Because of the fear which this question implies, it is interesting to note the attitude of the public and the small shopkeepers of Europe toward the system of parcel post. It should be borne in mind, of course, that it is unsafe to generalize from European to American experience. Social and economic conditions are so different that we can after all only surmise as to the effect of the parcel post upon the small tradesman in America. Europeans have as a rule not developed the mail-order business even with the parcel post—some argue because of it. Americans have developed it by the use of freight-carrying facilities. Whether the parcel post will accentuate the tendency to buy in great central markets, or whether the increase in cost of carrying on business in such small amounts will keep the mail-order houses from exploiting the parcel post remains a problem to be fully answered only by the trial of further experience. Still it is interesting to notice that under widely different economic conditions the parcel post has not elsewhere proved a disadvantage to the retail trade.

The High Commissioner of Australia writes that among the people at large the feeling toward the parcel post is "entirely . . . favorable," but "the shopkeepers in small towns do claim that the parcel post militates against them and in favor of the large departmental or city stores and this to a certain extent must be conceded."¹ In New Zealand there are no large department stores but "a great deal of retail business is transacted through orders by mail. A great many local firms cater especially to such trade and try to keep their goods well advertised, giving price lists and other information needed to facilitate sales."²

Small shopkeepers in England opposed the introduction of the parcel post, though the objections were not widespread or organized, but since its establishment "there has been no kind of organized protest . . . from the smaller retail traders or from others." It was at one time suggested that the "cash-on-delivery" system

¹ R. Muirhead Collins to William Phillips, Secretary of the American Embassy, London, December 21, 1911 (*Parcel Post in Foreign Countries*, p. 30).

² H. D. Baker in *Daily Consular and Trade Reports*, December 9, 1911.

adopted in several European countries be introduced, but the project aroused a strong protest among the dealers in small towns and it was abandoned.¹

In Germany "there is comparatively little trade done by large department stores—which in point of fact are comparatively few—outside the immediate delivery area of their respective cities," and "it cannot be discovered that there is any opposition by shopkeepers in small towns on the ground that the parcel post operates to their damage," but "the conditions governing retail trade in Germany are so different from those of the United States that it is almost impossible to draw a parallel."² In Italy "no claims are put forth by shopkeepers in small towns that the parcel post militates against them."³ The same report comes from Japan,⁴ Russia,⁵ and Sweden.⁶

The Austrian postal authorities assert that no direct complaint has ever come to them that the parcel post injures the small traders of the country towns. Large stores are still only beginning to enter Austria but such as do exist send out salesmen who sell to tailors, shoemakers, and small mechanics generally, but not directly to the consumer. The goods are forwarded by post instead of by freight as formerly. Up to the present time, therefore, the parcel post cannot be said to have worked to the disadvantage of the small merchant in Austria.⁷ Practically the same condition is found in Hungary and Switzerland where the small shopkeeper secures his supplies by parcel post but the public prefers to see the article before buying.⁸ France also finds that shopkeepers in small towns are not harmed but benefited by the service. They receive in the

¹ Whitelaw Reid to the Secretary of State, September 13, 1911 (*Parcel Post in Foreign Countries*, pp. 251 f.).

² Irwin Laughlin to the Secretary of State, September 16, 1911 (*ibid.*, pp. 96 f.).

³ J. G. A. Leishman to the Secretary of State, October 1, 1911 (*ibid.*, p. 124).

⁴ Montgomery Schuyler to the Secretary of State, October 2, 1911 (*ibid.*, p. 132).

⁵ Post Wheeler to the Secretary of State, September 30, 1911 (*ibid.*, p. 218).

⁶ Rafael Lundgren to the American Legation, Stockholm, November 30, 1911 (*ibid.*, p. 225).

⁷ J. C. Grew to the Secretary of State, September 16, 1911 (*ibid.*, pp. 31 f.).

⁸ Paul Nash to the Secretary of State, September 20, 1911 (*Parcel Post in Foreign Countries*, p. 117); and Ruchet to H. S. Boutell, American Minister, Berne, September 11, 1911, (*ibid.*, pp. 237 f.), also R. E. Mansfield in *Daily Consular and Trade Reports*, January 4, 1912.

promotion of their own retail trade advantages greater than the large stores reap through low rates and flat rates for long distances.¹

What the effect of parcel post will be in America is not shown by these reports, but it is interesting to see that the post has not worked to drive out the small trader, though introduced in countries of diverse economic organization, such as Australia, Germany, Hungary, and England. We are not justified in going so far as the enthusiast who asserts "as the catalogue house is unknown in those countries which have a modern parcel post and has been successful in this country, it would appear that instead of a modern parcel post favoring catalogue houses the very opposite is the case."² Doubtless the reason for the failure of the mail-order business to develop in Europe is not so simple as this; but the parcel post has at least not been sufficient to create mail-order houses in Europe, nor has its lack been enough to check their continued prosperity in the United States. It is to be seriously doubted also whether any important proportion of the shipments made by mail-order houses in this country could profitably be sent by post. The high average weight and in many cases the great distance they must travel seem to insure that this business will continue to be done by freight shipment.

If the success of the parcel post in foreign countries is to be judged by the estimation in which it is held by the public there can be but one conclusion. The popularity of this means of communication is shown by its wide adoption. It has gradually made its way into the governmental activities of all the greater countries of Europe. It is extended to many of the colonies of the leading powers. In the East, Japan, Russia-in-Asia, and to a limited extent, China, enjoy its advantages. Its adoption has been followed by a rapid development of its use. Agitation for change has always been in favor of broadening the service. The public has come to look upon the carriage of parcels by the government as one of its normal functions to be accepted as a matter of course. There is

¹ Robert Bacon to the Secretary of State, October 2, 1911 (*Parcel Post in Foreign Countries*, pp. 83 f.).

² J. M. Stahl in *Hearings held on Post-Offices and Post Roads, House of Representatives*, quoted by William Sulzer in House of Representatives, February 6, 1911.

no keen opposition or advocacy voiced in the press because the abolition of the facilities offered could not become a popular issue and their extension is with few exceptions a matter which does not involve class or factional interest. The broadening of the services is in fact due in large degree to the suggestions of those engaged in their administration rather than to widespread and concerted popular demand. Whether the government gains or loses by operating the parcel post can in no case be stated with exactness because the equipment and personnel used in handling the letter post are inseparable from those involved in the handling of packages. In either case there is no doubt that public opinion would be aroused against any proposal to abolish or curtail this governmental activity. The social service which it performs has been so clearly brought home to the people that the abolition of the carriage of parcels would raise almost unanimous protest.

A survey of the conditions under which the parcel post has been successfully operated abroad taken in connection with our own limited experience in its use points the way to the probable modifications which will have to be introduced to make the system of the greatest service to the people of the United States. Marked as the success of the new system has been, our rates are still high compared to those in England under the flat-rate system. An 11 pound package may there be sent for 22 cents. Even within the first zone of the United States system the charge, at the inauguration of the system, was 35 cents, with a higher rate for each succeeding zone. It is even now higher than the English rates in all zones after the second.¹ Nor do our charges bear comparison with the German rates. Up to 5 kilograms, or 11 English pounds, the German system charges in an area approximately equal to the first zone in the United States only 6 cents, or less than half the rate in the United States. A package of the same weight can be sent to any distance for 12 cents. In the eighth zone in the United States the charge would be \$1.32. The comparisons should not of course be made country by country. The divergence in charges within similar areas shows the United States service to be expensive and

¹ See Order of the Postmaster-General, No. 7720, December 18, 1913.

doubtless indicates that we have as yet only touched the great body of shipments which will be made if our rates approximate those found in Europe.¹ The American rates for a shipment of farm produce between producer and consumer as originally announced were practically prohibitive and even now have not been made low enough materially to affect retail trade.² The European rates, especially in England, have resulted in a large development of retail shipments of all sorts of food-stuffs.

Under the present rates there is comparatively little use of the parcel post for the heavier shipments. A reduction of rates would increase the use of the service for shipment direct to the consumer and probably give rise to a demand that the weight limit should be raised to at least the usual freight minimum of 100 pounds.³ Postmaster-General Hitchcock in his annual report, published February 2, 1913, suggested increasing the weight limit in addition to reduction of rates. Since then the weight limits have been twice increased; after August 15, 1913, packages were received in the first two zones of the United States tariff weighing up to 20 pounds; after January 1, 1914, shipments in these zones might reach 50 pounds in weight and in all other zones 20 pounds.⁴ In view of the very general tendency in Europe to increase the weight of shipments accepted there seems no doubt that further similar changes in our system will be introduced.

Finally, there will doubtless be an insistent demand for the abolition of the cumbersome zone system, or at least for its simplification. Congressman D. J. Lewis declares that under the present rate a 10-pound package can be carried 2,700 miles before the government begins to lose on the shipment, and that a flat-rate system would, because of the resulting increase of traffic, more than offset

¹ It is of course not to be overlooked that the systems in European countries enjoy an advantage over ours in that the greater density of population yields a much larger number of short-distance shipments.

² See Order of the Postmaster-General No. 7718, effective January 1, 1914, and March 16, 1914.

³ An exhaustive discussion of this proposal is found in a speech by Hon. D. J. Lewis of Maryland in the *Congressional Record*, September 9, 1913, pp. 4811 ff.

⁴ Orders of the Postmaster-General No. 7349 (July 25, 1913) and No. 7720 (December 18, 1913).

the losses which the government would sustain on long shipments. The disadvantage of our present zone system is shown also in the returns of the business done in January of the present year. The traffic represented was almost wholly that in towns and cities. Of the 40,000,000 total of packages handled during the month 4,168,153 parcels were handled in Chicago, 3,519,788 in New York, 1,151,408 in Boston, 1,035,000 in Philadelphia, 917,809 in St. Louis, 879,768 in Cleveland, 834,000 in Brooklyn, 510,072 in Detroit, 412,381 in Cincinnati, and 357,102 in Kansas City. Practically half of the business, therefore, was handled in the big cities. An abolition or simplification of the zone system, it is agreed, would have the effect of increasing country shipments and extending to the people at large advantages which by the present law are confined in practice to a comparatively small portion of our citizenship.

As Postmaster-General Hitchcock declared when the service was inaugurated, all the arrangements in the present law are tentative. The standards are to be altered to fit American conditions. So far as our experience now goes, it shows that the demand is growing for an increasing adaptation of European experience. The popular appreciation of the benefits of the parcel post will bring still further extension of functions undertaken, lowering of rates, increase of weight limits, and simplification of the basis of charges.

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